

**FWP PROPOSAL TO ADDRESS COMPETITIVE PAY**  
**BACKGROUND INFORMATION**  
**November 1, 2011**

**HISTORY**

The State of Montana and three major unions (MPEA, MEA-MFT, AFSCME) came to a pay agreement in December 2010 that would have provided a one percent pay raise in January 2012, and a three percent pay raise in January 2013 for all state employees. The 62<sup>nd</sup> Legislature rejected funding that agreement. FWP is currently unable to come to an agreement with two bargaining units within two of those unions (FWP Wardens—MPEA; F/W Biologists--MEA-MFT).

State law charges the Department of Administration (DOA) with developing and *“administering the pay program established by the legislature on the basis of competency, internal equity, and competitiveness to external labor markets when fiscally able. Based on the biennial salary survey, DOA shall:*

- *identify current market rates for all occupations;*
- *establish salary ranges for each pay band; and*
- *recommend competitive pay zones.”*

Based on this law, FWP is interested in developing a new pay system that addresses apparent compensation inequities discovered after a thorough review of competitive pay ranges issued by DOA. FWP reviewed compensation rates of four neighboring states and Montana State Government jobs, using the State Pay Tools, which includes a simple average of Montana State Government salaries in the same job class, and the 2010 salary survey.

The compensation of FWP employees for work done, as compared to their counterparts in Montana State Government and in surrounding states, is, in many cases, lower. This makes it harder for FWP to recruit and retain the best potential candidates and can have an adverse impact on employee productivity.

Unlike many state agencies, employees come to FWP because it is one of the few employers for their chosen profession. In spite of this apparent buyer's market, turnover at FWP continues to increase and the agency is experiencing recruitment problems. FWP is attracting fewer qualified applicants for job openings and more employees are leaving FWP for higher paying jobs. The highest turnover rates occur in the managerial and professional occupations, which include, Program Managers, Civil Engineers, FWP Wardens, IT, Park Management Specialists, Fish and Wildlife Biologists, and Mechanics and Maintenance workers. Other high turnover occurs at entry-level positions, such as Accounting/Licensing Techs, which can be more easily explained because these workers are afforded more promotional opportunities in the Helena-area employment market.

According to the State Employee Profile dated January 2011, Montana State Employees are 11 percent below the competitive market of the four surrounding states (ND, SD, ID, WY). FWP is 13 percent below the competitive market, which means FWP, on average, is more than two percent below the rest of state employees' compensation.

FWP employees are dedicated professionals and typically work more than 40 hours a week when covering for vacant positions due to vacancy savings mandates. In each of the past five years, FWP employees have forfeited nearly 10,000 hours each year of vacation leave and/or compensatory time (uncompensated). FWP realizes there is no method available for paying employees for these hours, but expects an updated pay system would in part, address existing compensation inequities.

## **AUTHORITY**

Fish, Wildlife and Parks would use authority provided in the state's Broadband Pay Plan to create a pay system considering the "minimum" of the 2010 salary survey or the simple average of occupations in Montana State Government shown in the Pay Tools Report published by DOA. This effort would help remedy employee compensation challenges that involve recruitment and retention disadvantages by clearly stating the compensation within the competitive zone developed by DOA. FWP would then also be comparable to other Montana state agencies. FWP's early estimates of the fiscal impact to implement this plan are approximately \$1.5--\$2.5m annually, depending on the level of implementation. FWP further determined that this funding would come from program redirection and use of federal funding available from the U.S. Fish and Wildlife Service. Implementation will not create a fiscal crisis in either the general license or Park funds and would be accomplished within the legislatively appropriated amounts from these accounts. Regardless of implementation, FWP expects to pursue additional revenues for both programs in the 2013 Legislative Session.

## **PROCESS/SCHEDULE**

With recommendations from Human Resources, the FWP's Executive Team will make a final recommendation to the Director specific to the details of the proposed plan, including implementation and sources of revenue to fund the plan. The Director will consider those recommendations prior to making a decision.

Assuming there is agreement through the Department of Administration and the Governor's Office, the new pay system and pay plan rules will be implemented January 1, 2012.

FWP ultimately understands that pay is a mandatory subject of collective bargaining and it plans to continue to listen to union interests in an effort to ratify agreements with employee bargaining units. As of this date, both union contracts are expired as we continue the negotiation process.